

Issue: Exemption From Tax (Charitable or Other Exempt Type)

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6. Tenants occupying the houses come through the Low-Income Housing Tax Credit Program wherein they have to be under 60% of median income. (Tr. p. 17)

7. Several tenants are "Section 8" tenants, and under federal law, their rent is subsidized through the Springfield Housing Authority. (Tr. p. 17)

CONCLUSIONS OF LAW

The Illinois Retailers' Occupation Tax Act exempts exclusively charitable organizations (35 ILCS 12/1). Administrative Regulation promulgated thereunder state specifically at 86 Ill. Adm. Code 130.2005 (i)(2):

"The Supreme Court has stated that a charitable purpose may refer to almost anything which promotes the well-being of society and which is not forbidden by law; but to qualify as a charity, the purchaser must be organized and operated to benefit an indefinite number of the public. There may be restrictions on the group to be benefited (such as an organization for women, for children, for the aged, etc.), but the service rendered to those eligible for benefits must, nevertheless, in some way relieve the public of a duty which it would have to such beneficiaries or otherwise confer some benefit on the public." (86 Ill. Adm. Code 130.2005 (i)(2))

After a review of the entire record, the taxpayer meets the criteria for tax exemption. Specifically, the taxpayer has proven it is organized for exclusively charitable purposes in rehabilitating abandoned houses for occupation by low-income households. No part of the taxpayer's earnings inure to the benefit of its members, trustees, officers or other private persons pursuant to its Articles of Incorporation. This taxpayer goes beyond mere civic improvement. The record establishes it carries on charitable acts with the object of its bounty being low and moderate income persons and the needy generally.

RECOMMENDATION

It is my recommendation that the taxpayer be granted tax exempt status.

William J. Hogan
Administrative Law Judge

Dated _____